

Closure of small scale pharma industries

3225. SHRI A. VIJAYARAGHAVAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government are aware of the fact that a large number of small scale pharma industries have been closed in different parts of the country;
- (b) if so, the reasons for the crisis in the industry; and
- (c) the steps Government have taken to protect these small scale pharma units?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) One of the problems faced by Pharma Industry is the change in Excise duty system and creation of tax-exempt areas in North India like Uttarakhand, Himachal Pradesh and Jammu and Kashmir. Earlier Excise duty was levied on ex-factory price, but from 8.01.2005 it has been made leviable on Maximum Retail Price (MRP) of the Pharma products. This has created problems for Units set up in non-tax exempt States which could not shift their manufacturing to tax-exempt States. Compliance with Schedule 'M' of Drugs and Cosmetics Rules, 1945 is mandatory requirement with effect from 1st July, 2005. As a result all Pharma Companies, including Small Scale Units, are required to comply with this requirement which, requires additional resources to be spent by these units.

Ministry of Small Scale Industries has reported that 40% Small Scale Pharma Units have already complied with Schedule 'M' requirements and 43% units are in the process of becoming Schedule 'M' compliant. 9% units are not in position to fulfil the modified Schedule 'M' norms and around 8% units have either been closed or their Licenses suspended.

Government proposes to take the following initiatives to assist SSI Pharma Units:—

- (a) Access to bank loans up to Rs. 1.00 crore. The SSI Pharma Units would be entitled to 15% subsidy by Ministry of Small Scale Industries.
- (b) Under the Integrated Infrastructural Development (IID) Scheme, setting up of 87 Centres and upgradation of 25 old industrial estates has

been approved. The Small Scale Pharmaceutical Industries can locate/re-locate in these IID centers.

(c) Department of Chemicals and Petrochemicals has proposed a scheme of interest subsidy for Schedule 'M' compliance.

Ministerial Group for solving the Bhopal gas leak related issues

†3226. SHRI SHREEGOPAL VYAS:
MISSANUSUIYA UIKEY:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a Group of Ministers was constituted to consider different issues relating to horrible gas leakage accident of Bhopal;

(b) if so, the names of the Ministers included in this group;

(c) whether the Group of Ministers has decided to declare the rest 20 wards of Bhopal as gas affected and recommendation regarding the same has been made to the Central Government;

(d) if so, the action taken, so far on the decision of the Group of Ministers; and

(e) by when the rest 20 wards would be declared gas-affected?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes, there is Group of Ministers (GoM) on Bhopal Gas Leak Disaster.

(b) The names of the Ministers included in this Group as per the Office Memorandum issued by the Cabinet Secretariat dated 10th November, 2006, are (i) Shri Arjun Singh, Chairman, (ii) Shri A.R. Antulay, (iii) Shri Ram Vilas Paswan, (iv) Shri Sis Ram Ola, (v) Shri Kamal Nath, (vi) Shri H.R. Bhardwaj, (vii) Shri Oscar Fernandes, (viii) Smt. Renuka Chowdhury, (ix) Shri Suresh Pachouri and (x) Permanent invitee Minister-in-charge of the Department of Bhopal Gas Tragedy, Relief and Rehabilitation, Government of Madhya Pradesh.

†Original notice of the question was received in Hindi.